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**STATE OF MARYLAND**  
**OFFICE OF THE ATTORNEY GENERAL**  
**CONSUMER PROTECTION DIVISION**

Writer's Direct Dial No.  
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February 18, 2020

To: The Honorable Kumar Barve  
Chair, Environment and Transportation Committee

From: Kira Wilpone-Welborn  
Staff Attorney

Re: House Bill 744 – Landlord and Tenant – Residential Leases- Tenant Rights and Protection (Tenant Protection Act) (SUPPORT)

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The Consumer Protection Division of the Office of the Attorney General supports House Bill 744 sponsored by Delegates Stewart, Boyce, Barron, Carr, Moon, Palakovich Carr, Shetty, and Wilkins, which would enact a broad range of tenant protections in leasing residential realty. In particular, House Bill 744 would require landlords to provide additional disclosures to tenants on ratio utility billing and security deposit deductions, would provide additional remedies to tenants when a residential unit contains conditions dangerous to their health and safety, and would expand protections to victims of stalking to terminate their lease agreement. Landlord-tenant complaints are consistently among the top complaints received from consumers each year by the Consumer Protection Division, including a significant number of complaints about utility billing, deductions from security deposits, and unaddressed maintenance conditions in rental housing that are dangerous to a tenant's health and safety.

When consumer disputes regarding utility billing are presented to the Division, the Division may attempt to mediate complaints or refer appropriate complaints to the Maryland Public Service Commission. However, House Bill 744's requirement that landlords disclose to prospective tenants the use of ratio utility billing, the methodology used to determine a tenant's utility obligation, the average monthly bill in the preceding year, and the amount of any service or administrative fees charged will allow consumers to better understand the financial burdens and obligations before leasing a rental unit. Under the present Real Property Article, there are no provisions requiring the landlord to inform tenants of their utility obligations even when the landlord is aware of the typical utility charges, service fees, and administrative fees charged to present and former tenants. The additional information presented to consumers through House Bill 744 will allow tenants to make better comparisons of available rental units in the market and prevent surprise utility charges throughout their tenancy.

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Since 2016, the Division has received over 200 complaints from Maryland consumers regarding security deposits, many of which are due to deductions made by their landlord at the conclusion of their tenancy. Under the current law, landlords must provide to tenants a list damages to the rental unit and the cost actually incurred for repairs. And the landlord is only permitted to deduct the amount actually incurred from a held security deposit. Despite the present obligations, landlords and tenants often dispute the nature of the damage and the cost expended to make any repairs. House Bill 744's requirement that landlord submit documentation (invoices, receipts, bills, etc.) supporting the incurred cost would prevent many of these disputes. And, as a result of House Bill 744, the Division would be able to mediate more consumer complaints regarding improper security deposit deductions.

The Division often attempts to mediate consumer complaints regarding unrepaired conditions impacting the health and safety of rental units by having the landlord agree to repairs; however, the Division regularly is unable to achieve an amicable resolution to these complaints. In those instances, the Division recommends that the tenant seek a judicial remedy, such as filing a rent escrow action. However, under the current law, the tenant must pay all rent owed into an escrow account, depriving her of much needed finances to secure alternative safe and healthy housing, and remain in the unit she asserts has conditions dangerous to her health and safety. These requirements create an untenable position for tenants. House Bill 744, however, provides an additional remedy for tenants facing unrepaired conditions—vacating the unit after a 30-day notice to the landlord for unrepaired conditions. Allowing tenants to terminate lease agreements for unrepaired health and safety conditions provides an important remedy presently unavailable and provides additional incentives for landlords to make timely repairs to conditions in accordance with their obligations under the residential lease agreement. In addition to supporting House Bill 744's new provisions, the Division would also recommend that the Committee consider additional amendments that would create uniform notice requirements by allowing tenants to provide written notice of conditions by first-class mail or hand delivery, and not just through certified mail.

Finally, the Division supports House Bill 744's additional protection for victims of stalking. Allowing consumers who are victims of such violence to terminate their lease agreement provides victims with additional remedies for securing their safety without additional financial burdens.

House Bill 744 would allow the Division to successfully mediate more consumer complaints regarding utility billing, security deposit deductions, and unrepaired health and safety conditions as a result of the newly required disclosures and protections provided to Maryland consumers. Accordingly, the Division requests that the Environment and Transportation Committee give House Bill 744 a favorable report.